

Message Text

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43

ACTION AF-18

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 DRC-01 /130 W

----- 101506

R 281110Z NOV 73

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 4341

INFO AMEMBASSY LUSAKA

AMEMBASSY NAIROBI

LIMITED OFFICIAL USE DAR ES SALAAM 3951

E.O. 11652: NA

TAGS: PGOV, PINT, TZ

SUBJ: GOVERNMENT SUFFERS RARE DEFEAT IN NATIONAL ASSEMBLY

1. IN ONE OF MOST HEATED SESSIONS EVER TO TAKE PLACE IN TANZANIAN NATION ASSEMBLY, 190 MEMBER BODY VOTED 60-42 (WITH MANY MEMBERS TAKING FRENCH LEAVE) TO DEFEAT KEY INCOME TAX BILL SPONSORED BY GOVERNMENT. BILL WAS DESIGNED TO CONSOLIDATE INCOME TAX AND PERSONAL TAX AND TO PROVIDE FOR TRANSFER OF ORGANIZATION AND ADMINISTRATION OF INCOME TAX FROM EAST AFRICAN COMMUNITY (EAC) TO TANGOV. BILL WAS DEFEATED PRIMARILY AS RESULT OF SUBSTANTIALLY INCREASED TAXES ON MIDDLE AND HIGHER INCOME PEOPLE AND DUE TO ELIMINATION OF CERTAIN PREVIOUSLY PERMITTED PERSONAL EXEMPTIONS. IMMEDIATELY AFTER NOV. 27 LATE HOUR DEFEAT OF BILL, NATIONAL ASSEMBLY ADJOURNED. ADMINISTRATIVE STAFF OF PARLIAMENT NOW ASSUMES THERE WILL BE EMERGENCY SESSION OF NATIONAL ASSEMBLY BEFORE END OF YEAR IN ORDER TO PASS ANOTHER BILL. OTHERWISE, BEGINNING JANUARY 1, TANZANIA WILL HAVE NO AUTHORITY TO TAX FOLLOWING BREAKUP OF EAC TAX STRUCTURE.

2. COMMENT: REFUSAL TO PASS BILL IS OF MAJOR INTERNAL POLITICAL SIGNIFICANCE AS THIS IS ONLY SECOND TIME IN TANZANIA'S HISTORY, WE BELIEVE, WHERE GOVERNMENT-INITIATED PIECE OF

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LEGISLATION HAS BEEN DEFEATED. (FIRST OCCASION TOOK PLACE IN

APRIL 1972 WHEN PARLIAMENT REFUSED TO AMEND CONSTITUTION
PERMITTING REGIONAL COMMISSIONERS TO CONCURRENTLY HOLD OFFICE
AS CONSTITUTENCY, AS OPPOSED TO EX OFFICIO, MEMBERS OF NATIONAL
ASSEMBLY.) RECALCITRANCE OF MEMBERS TO PASS BILL IN THIS
"ONE-PARTY STATE" WILL BE NOTED WITH PARTICULAR INTEREST
BY TANZANIAN BODY POLITIC. ANALYSIS FOLLOWS BY AIRGRAM.
CARTER

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Message Attributes

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Copy: SINGLE
Draft Date: 28 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973DARES03951
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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30 JUN 2005

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